



Bond SAG Meeting 5 Summary

Participants Present: Oscar Arana, Margaret Bax, Lynnae Berg, Bob Brown, Frieda Christopher, Bev Logan, Ed McNamara (for D. Dame), Duncan Hwang, Jes Larson, Allan Lazo, Emily Lieb, Andy Miller, Patricia Rojas, Vivian Satterfield, Shannon Singleton, Felicia Tripp, Jonathan Trutt

Participants Excused: Jerome Brooks, Dike Dame, Maxine Fitzpatrick

PHB Staff Present: Jennifer Chang, Cupid Alexander, Cheyenne Sheehan, Matthew Tschabold, Karl Dinkelspiel, Michelle DePass

Other City Staff Present: Andrea Valderama (Mayor Ted Wheeler’s office)

Guests Present: N/A

Find all Bond SAG meeting materials archived on the Bond webpage at <https://www.portlandoregon.gov/phb/73420> and click “Meeting Materials”.

Responsible Person	Action Items
Jennifer Chang/Matthew Tschabold	Population and location priorities will be reworked incorporating feedback from today’s meeting and sent to the group for feedback prior to the 7/31/17 meeting.
Jennifer Chang	Will send out additional feedback forms for location/population priorities. Will send an information request to assist PHB in furthering community engagement activities. Will schedule an additional meeting of the SAG.

Agenda Item	Topic Summary
Introductions	Jennifer welcomed the SAG participants and public, and invited members of the public to sign up for public comment on the meeting agenda topics. <i>For the full list of SAG participants, click here.</i>
Meeting 4 Recap	Andrea Valderrama stated the Mayor takes the work of the SAG very seriously and has heard the SAG’s request for more time to develop the draft Framework plan and do community engagement. He has agreed to extend the timeline, with the new date of October 11 th , 2017 for the Plan to be heard by Council. The aim is still to have a draft Framework Plan by August 14 th , but the extended time will provide more time to engage the community and incorporate community feedback into the final draft. In response to concerns at Meeting 4 around City Ownership restrictions related to Bond Funding, the Mayor and the City’s Chief Financial Officer will attend the next SAG meeting 6 on July 31 st to have opportunity to further discuss with SAG participants. Andrea encouraged members of the SAG to continue reaching out to her directly with questions and concerns.

	<p>Kurt Creager, PHB Director, added that the first meeting of the Bond Oversight Committee (BOC) took place last week. Their first meeting consisted of onboarding activities including briefings on Oregon Public Records Law, City of Portland Ethics, and other standards for public officials. Bishop Steven Holt, the Chair of the N/NE Community Oversight Committee, will act as facilitator and Cupid Alexander will staff the BOC. At their next onboarding meeting, the BOC will learn more about the investments and development activities of PHB.</p> <p>In response to PHB’s increased scope of work and budget, PHB is adding an additional Assistant Director, Shannon Callahan. She will start on August 1st. Shannon is from Washington state, where she attended Evergreen State College and Lewis and Clark Law School. She was instrumental in the creation of The Gateway Center for Domestic Violence Services. She has worked for Commissioner Saltzman as his policy director for the last ten-years and has originated many of the policy innovations from his office over the last three-years. Shannon will be the Assistant Director of Policy and Strategy. Matthew Tschabold and the Policy Team will report directly to her. Kurt invited the SAG to approach him with questions if needed.</p> <p>Jennifer reported that since the last meeting, several sub-groups have met to discuss various issues including;</p> <ul style="list-style-type: none"> • A meeting of SAG participants with recommendations for process improvements which are being incorporated into this meeting to help move the process of creating the Framework Plan forward. • A meeting of SAG participants and members of the A Home for Everyone (AHFE) Coordinating Board to discuss their recommendations. ADMIN NOTE: <i>Subsequent to this meeting AHFE provided their written recommendations in this letter to the SAG.</i> • A meeting of SAG participants to look into the development and financial model PHB used related to generating the model assumptions for the bond. This will be discussed in the next agenda topic at this meeting. <p>Jennifer reminded participants to use their Red/Yellow/Green cards to indicate support or non-support at decision points during the meeting. She also reminded everyone it is important to hear from everyone in the group since there are many different and valuable perspectives in the group. She asked that everyone speak and share their opinions and try to limit their comments so everyone can have a say during discussion periods.</p>
<p>Summary and Update on Community Outreach</p>	<p>There was a request at meeting 4 for an update on the community engagement plan for the bond. Michelle DePass, PHB’s Community Engagement Coordinator, updated the SAG with the following;</p> <ul style="list-style-type: none"> • The Mayor has granted additional time for community engagement and public feedback of the draft Framework Plan before it is finalized and goes before Council. • Feedback from the SAG is PHB should be more intentional about engaging people with lived experience. The SAG Participants were chosen for their connections to the communities PHB would like to engage. Participants will receive an email in the next few days asking for assistance in connecting to those communities. • The new draft timeline is included in the Participant’s packets. • If there is still concern about the community engagement plan, PHB is open to scheduling a sub-committee meeting for interested SAG participants to talk those through with Bureau staff and add to the plan as needed.

Public Testimony

Public testimony begins, each testifier is given two minutes to make their comments.

John Elizalde, community member, testified on behalf of the Interfaith Alliance on Poverty and submitted comments in writing [here](#).

Rich Rodgers, Development Manager of Community Development Partners (CDP), testified on some of the effects of the Federal election and the purchase of the Ellington apartments. CDP is developing a 59-unit project in partnership with [NAYA](#) and [NARA](#) on NE 42nd Ave. It has State funding support and is a 4% tax credit project. Because of changes in the Federal government, tax credits are not worth as much as they used to be, creating a funding gap in their project. Uncertainty around the Federal budget means that locally available vouchers through Home Forward are currently frozen, with the exception of vouchers being allocated to Bond projects. He asks the SAG to consider whether there is flexibility in using the Bond-committed vouchers to support current projects like his, which have funding shortfalls for housing intended for households earning 0-30% AMI. The voucher allows them to increase the size of their permanent loan which helps close the funding gap and makes units available to very low income households. He added he is not asking for endorsement of a specific project today, but requests the SAG to keep this in mind as they make their recommendations. He thinks by partnering with projects that are not quite complete, more units can be delivered more quickly and concentrate resources on underserved populations. He added that their current project will offer free medical and dental for their residents and that services will be delivered in a culturally specific context.

Amy Thompson, of [NARA](#), shared more detail on the project that Rich Rodgers mentioned in his testimony. NARA provides, healthcare, dental care, and behavioral health services (like mental health and addiction treatment) to the community, focusing on the Native American community and the broader community as they serve. Their goal is to make these services available to tenants in this new project on NE 42nd Ave. and serve all vulnerable populations. In order to serve those populations with this project, economic barriers are the largest barriers to housing. Without the deep rental subsidy that project based vouchers provide, it will be difficult to serve the target population. The data from the [2017 Point-In-Time Count](#) shows that all communities of color are overrepresented in the homeless population and 10% of the homeless population are Native Americans even though they account for only 2% of the overall population of the Portland Metro area. This community has many barriers to housing and they are trying to address those barriers with this project, which is very difficult to do without project based vouchers.

Matthew asked how many vouchers they are asking be released from their commitment to bond projects. Rich answered that they would accept as many as they are willing to give, but they are hoping for 40.

A participant asked if the project based vouchers in the bond must go to City-owned bond projects. Matthew answered that the vouchers were committed by Home Forward to provide for the 0-30% goals in the bond. If the SAG decides to release those vouchers to other projects, it would be more difficult for the City to reach the 0-30% goals in the bond but technically, they can be used for non-bond projects.

Ranfis Villatoro, testified on behalf stopping wage theft. He provided two letters of support urging the Bond SAG to implement a wage theft compliance program for bond projects. This [first letter](#) is from the Metropolitan Alliance for Workforce Equity and the [second letter](#) is from the Northwest Workers Justice Project Oregon Coalition to Stop Wage Theft which also includes an outline containing elements for an effective wage theft compliance and deputization program. The program is low or no cost to implement

	<p>has shown proven positive outcomes for the LA Unified School District. He continued by saying that wage theft deals with issues from apprenticeship to utilization. Having a policy in place ensures workers are being paid the proper prevailing wage, and that they are being paid properly and appropriately for overtime. Every wage theft violation is essentially a violation against workers; contractors who participate in wage theft are essentially stealing from tax payers when it comes to government projects. The letters provided today have also been submitted to Director Creager and Mayor Wheeler.</p> <p>Steve Rudman, former Executive Director of Home Forward and long-time affordable housing advocate, testified on several observations. He feels the guidelines are very clear and commitments were made to the voters to provide 1,300 units of housing, 600 at 0-30% and 650 family sized units, which should be the goals for the Framework. He added that it's important for the City to think out of the box to provide these units as effectively and efficiently as possible. Thinking should be bold and not led by risk aversion. He has seen where there is political will, there is a way to make things happen. The best thinking legally, financially, and leveraging creative ways to develop and manage the housing should be the focus. A menu of approaches should be used including aligning with other public sector, private partner, and non-profit resources to buy land and acquire properties. Alignment with other sources of support for low income individuals is also needed e.g. AHFE City/County efforts to ensure housing for the very poor is prioritized and PSH is available. It is essential that these resources are viewed as the City's local public housing and the most precious resource we have for delivering units for low income families to access decent affordable housing.</p>
<p>Bond Production Goals: Discussion and Decision</p>	<p>Matthew Tschabold facilitated the agenda item Bond Production Goals: Discussion and Decision.</p> <p>Kurt reinforced what he said to the City Council when the model assumptions were placed before them as an attachment to the Bond referral. The assumptions were an effort on PHB's part to provide non-technical information as an example for how the bond funds could be used. He reaffirmed what he said publicly then, that PHB wanted a standard whereby performance could be guaranteed. The basis for a bond renewal in five-years is to under-promise and over-deliver. He stated he will not be happy with only 1,300 units and would like to deliver more.</p> <p>Matthew asked the participants who were on the Production and Development sub-group to share highlights of their discussion. Highlights from the participant discussion include;</p> <ul style="list-style-type: none"> • Participants for the most part agreed that getting to a minimum of 1,300-units should be the goal, but that we should strive to produce more units • A participant stated the bond was structured to achieve affordability for very low income people who are not being served – thus the deep affordability goals for 600 0-30% AMI units • The discussion of the sub-group dove deeper into modeling that shows the cost impacts of decision making like geographic location, prevailing wages, ADA units, etc. • A participant stated that it's important to recognize how that 1300-unit number was arrived at and how location and priority decisions can impact that number. Especially since the participants and PHB are going to be held accountable to those specific goals so it should be very well vetted by the community groups represented around the Bond SAG table as well as the wider community when the draft Framework Plan is developed. Great clarity was provided in the sub-group around confirming very specific goals and what that means to ongoing conversations

Based on feedback from both previous Bond SAG meetings and the discussion in the sub-group, Matthew explained that the goal today is to for the group to ratify the production goals that originated in the model assumptions created by Karl Dinkelspiel last year as shown on [this slide](#) and written here;

Proposed Bond Production Goals of 1300 units with 600 units at 0-30% AMI and 50% family-sized units (2 – 3-bedroom).

Matthew asked for feedback from the group and a discussion ensued. Some points of clarification follow;

- Karl explained that in the model assumptions the 0-30% rents were calculated at 30% AMI rents, not less than 30%. The 400 vouchers from Home Forward were included in the modeling of 600 0-30% units, meaning those units would be subsidized with vouchers (at Home Forward's [full payment standard](#)) and could rent for less than 30% AMI but 200 of the units modeled would not have vouchers attached to them and would require rents of at least 30% AMI or could be cross-subsidized by the remaining 30-60% units.
- Karl explained that in regards to family sized units, there is an expense in running the unit, and a rent that you can achieve for that unit dependent on bedroom size and the regulated rent for that unit. Larger units are relatively more expensive to build relative to the rent per square foot. The more three-bedroom units you have, built at a higher per square foot cost, and the lower the regulated rent, creates trade-off decisions in providing larger units because these conditions create a lower net income for those units. This is why in the market place you see an emphasis on studio and one-bedroom units because the net rent per square foot is higher than for larger units.

Some concerns from participants in ratifying the numbers goals include;

- Some participants feel that by ratifying the goals, the group is saying that total number of units is more important than the target populations served or the geography of those units and that the racial equity goals connected to this are less important.
 - Feedback from other participants is the voters have already said yes to these numbers by voting for the bond and it is important to reach those numbers at a minimum. It would be difficult to secure future support from the public on another bond if these goals are not reached.
- A participant wants to make sure the group understands that the model assumption were based on a formula and a set of assumptions. Any time decisions are made on one side of that formula they must be balanced out on another side which could affect the number of units positively or negatively. The model explains how PHB arrived at 1300 units – he doesn't think the goals of serving communities of color and those affected by or in danger of displacement makes a significant economic impact that would affect reaching the 1300 units and Karl agrees with that statement, but adds that geography decisions could significantly increase costs enough to affect units delivered.
- Participant Jonathan Trutt is concerned about how cost escalation is going to affect the goals, especially when considering new construction. He is supportive of the goals but wanted to bring to the group a [memo from Walsh Construction](#) on current market conditions and impacts on construction costs. He is worried about getting to that 1300-unit goal under the current market conditions, especially with the income level goals for the units.
- A participant thinks it is important to set aggressive goals and push PHB to explore every possible leveraged resource to exceed whatever goals are set. It's important that the group not spend focus to redesign priorities based a static

financing model. The market doesn't stay static, it is ever-changing. If the goals need to be tweaked at a later date because they were too aggressive, maybe the BOC can be given that flexibility.

- A participant speaks from experience that in the current administration, guaranteed funding sources can fall apart and it is important to be creative and innovative to complete projects. Escalating construction costs are a large factor that must be considered when setting the goals. She thinks 1,300 affordable housing units is an aggressive goal. For every unit being developed predictions of how it will go, and the realities of the market are always going to change dramatically along the way.

Matthew ended the discussion to take a poll on adopting the model assumptions and making them the goals for the draft Framework Plan. After the initial poll and additional discussion, the final poll results were:

In Support of the Goals (without reservation) = **13**

In Support of the Goals (with reservations) = **4**

Not in Support of the Goals = **0**

Of the four with reservations, their issues were;

- A participant would like to focus on use an equity lens to meet the goals – he has no problem with the number goal suggested, he would just prefer to have had more discussion and decisions around populations and location priorities before setting the number
- A participant is concerned about not meeting these goals, since the community is watching and waiting to see what is delivered. He also has a concern about wages and equity for workers – he wants to make sure that workers on these new projects will make a fair wage and he understands that paying prevailing wages is expensive and may impact the number of units. There is concern that low-income people are being served with these units on one hand, but there is a desire to avoid pushing low wages on workers building the projects to meet the unit goals.
 - A participant clarifies the prevailing wage issue. He says it can mean two things 1) the [prevailing wage rate issued by BOLI](#) which has very high commercial wage rates that are applicable to buildings over four stories that include any commercial space, and 2) there are [Davis-Bacon wage rates](#) required for federal funding sources and reflect union wage scales. Davis-Bacon rates are lower than BOLI rates, but are at union scale and generally living wage – these wages are not considered a cost premium.
- A participant is concerned that communities of color have been told repeatedly throughout history to trust the process and government that they will be included, but data shows this has not worked. He doesn't feel good about setting the unit number without being very intentional in regards to the communities targeted for these homes in order to ensure they are available for priority populations not being served with the current system. Targeting communities of color specifically needs to be a priority, otherwise there would not be such a huge overrepresentation of communities of color in the homeless count and continued difficulty getting them into housing.
- A participant is concerned that if opportunities arise to buy residential buildings being sold to preserve affordability for residents, that the number goal could dissuade the City from taking action if the expense of buying the project could reduce the overall units produced by the bond. He doesn't want to see the group make a policy choice that will drive priorities away from making decisions like that. He also thinks the 600 units of 0-30% should be broken in order

	<p>clear about the units that will rely on full subsidies. Meaning a certain amount of those units will be affordable at 0-30% AMI and a certain amount at 30% AMI. The 0-30% units will have the largest impact on homelessness, which is a population he is most focused on. He would also like to include a sub-priority in the Framework Plan that says something like, if it becomes clear that the 1,300 goal can't be reached, then the priority should be to focus resources on the 600 0-30% units as deeply affordable units are needed most.</p> <p>DECISION: Matthew moved the meeting forward by saying that the 1,300 units will be considered the draft recommendation. Reservations shared can be further addressed in the populations and location priorities discussion.</p> <p>-Break-</p>
<p>Population and Location Priorities: Discussion and Decision</p>	<p>Matthew began the conversation with the suggested population priorities for bond housing units. He asked the group to review the population feedback from previous meetings using their Suggested Location Priorities worksheet in the packet. The group spent a few minutes reading the worksheet and began a discussion on population priorities. Suggestions included;</p> <ul style="list-style-type: none"> • Add families, homelessness or “at risk” of homelessness, seniors and people with disabilities as priority groups • Under communities of color, add Asian Americans and use disaggregated data for the Asian community • Some immigrants fall under the category “white” but they have many of the same challenges that immigrants from communities of color have. Make sure to include them as a sub-group • Under policies, the historical framework of institutional racism should be called out explicitly • Regarding under policy “strive to make a visible impact on homelessness”. In many communities of color, homelessness is not visible due to doubling and tripling up in households which should be acknowledged • Preventing homelessness should be added into policies • Women escaping domestic violence should be added as a vulnerable population that is underserved • Suggest removing “particularly street outreach and shelter” under policies. It is a misalignment under the family system of care and how service are provided. It’s not just for families sleeping outside but for families that are doubled up. This will help get at the point that a family doesn’t have to be unsheltered to be considered homeless • Recommend, under communities, for households experiencing homelessness, if service dollars are not provided for chronic homelessness and PSH that a caveat is added that people experiencing homelessness will continue to be prioritized even if they aren’t “chronically” homeless. Some homeless people are just poor and don’t need additional services • There doesn’t seem to be a need to call out specific mainstream agencies in bullet three under Policies (e.g. Home Forward, JOHS). If necessary to call out specific agencies, focus should be on culturally specific services • Make a stronger statement about focus on communities that have already been displaced, not just at risk of displacement • Add language around individuals at risk of homelessness, not just families • In the campaign literature for the bond, seniors, people with disabilities, and veterans were listed prominently – they should also be included in the Framework Plan • Define “homelessness” within the Policy section • The third bullet under “policies” is an opportunity to align and implement an equity lens with updated language

A participant asked if accessible units are required in affordable housing. Karl responded that current building code requires that 5% of the units are adaptable/accessible for physical disability and of those, 2% of them should be accessible for sensory disability. There is a policy discussion happening in the City now to decide whether that needs to be increased.

A discussion began around how to incorporate people with criminal records into the communities needing housing, but it is decided that that conversation should be addressed in the screening criteria phase of the Framework Plan development process.

A discussion began among the group around whether to add seniors, people with disabilities, and veterans into the “communities” section and if so where to add them. Several participants are concerned about adding too many “priority” populations to the point where the policies are diluted enough to be meaningless. This discussion led a participant to propose that seniors and people with disabilities be taken out of the communities’ section entirely. Her point is that in every affordable housing funding proposal she has ever worked on, those populations automatically go to the top of the priority list. The focus should be on vulnerable populations that don’t actually receive public will. There is already a lot of support for seniors and people with disabilities and program dollars generally go to those populations automatically.

In response, a participant suggested that the population priorities include a preamble explaining the reasons why certain priority populations were chosen over others, with the intention to serve the most underserved in our community.

A participant stated that the policy and populations page should be as clear and simple as possible and she suggested including a definitions page to provide more clarity to readers on terms like “households facing imminent risk of displacement”, “communities of color”, “homeless”, etc. She thinks the definitions page could also include data supporting the decisions made.

Matthew asked the group to indicate their level of support for the ideas of removing seniors and people with disabilities from the communities’ section and adding a preamble and definitions page. He also asked them to share how they would like to move forward in finalizing the population and location priorities.

Consensus from the group on moving forward was that PHB staff will compile feedback from this meeting in a final revised version of communities and location priorities for the SAG to make a decision to approve. SAG participants understand some very difficult choices need to be made to get to a final draft.

The participants also suggested;

- Adding another meeting to make the draft Framework Plan deadline
- Being responsive to email requests from PHB for feedback and information
- Provide the original bond language that the voters voted on (*To view a digital copy of the **November 2016 Multnomah County Voter’s Pamphlet** and the page in which the bond measure appeared, click [here](#) and go to page 48*) to compare it against the final populations and locations priorities to be sure they are aligned

Matthew explained again that expediency is important to meet the deadline for completion of the draft Framework Plan imposed by the Mayor, and to allow enough time for community feedback before being heard by City Council. PHB staff will rework the

	populations and priorities into a new version using feedback gathered from the group at this meeting. Staff will send the new version out for additional feedback before the next meeting. He stressed to the participants the importance of providing the necessary feedback within stated deadlines because staff will have very little time to incorporate the requested feedback before the next meeting. The goal is to adopt the new version in draft form at the 7/31/17 meeting and move forward to the next set of decision points.
Closing/Next Meeting	Matthew closed the meeting. Next meeting is scheduled for July 31st at PCC SE's Community Hall from 6:00 pm – 8:30 pm.